A2500-2
6/20/89

Paper Paperboard & Wood Pulp

MONTHLY STATISTICAL SUMMARY · Vol. 67 No. 5 MAY 1989

PAPER AND PAPERBOARD PRODUCTION: STILL HOLDING STEADY

The April 1989 seasonally-adjusted rate of paper and paperboard production held close to the flat high-level trend it has been following since the beginning of 1988. The rate for the entire January-April 1989 period, 77.1 million tons per year, matched its year-ago level and 0.7% above the rate for all of 1988.

Paper: The rate of total paper production in the January-April 1989 period was 38.4 million tons per year, 0.3% below its year ago level. Last year's total was revised downward by 0.2% as a result of the Printing-Writing Paper Division re-survey of the reported data.

As the table on page 3 shows, the steadiness shown by the paper total resulted from some rather large offsetting gains and losses. Most impressive was the 9.4% increase in groundwood paper shipments, largely reflecting a major increase in shipments to commercial printers. Shipments to periodical publishers were only slightly above year-ago levels in this January-April 1989 period.

The strength in the current demand for these papers is also shown by the 12% increase in imports recorded in the first quarter of the year. Two grades in the Harmonized Code System originally included in newsprint have been shifted to groundwood papers as a result of a re-evaluation of the content of these codes. Imports now account for about half the total new supply of groundwood papers available to United States consumers.

Shipments of coated papers were down by 5%, reflecting declines in shipments to most of the major users of these papers. Shipments of these papers had shown a 7.3% increase from 1987 to 1988, and a 9.5% increase from 1986 to 1987, a two-year gain of one million tons from a base of 6.3 million tons. Coated paper consumers are probably utilizing inventories accumulated during the past two years to meet part of their current requirements. These inventory reductions have apparently also affected imports: the first quarter total was 5% below their year-ago level. Imports now account for about 8.5% of the total new supply. Exports, at 135,000 tons per year, were 21% above their year-earlier total.

Among the other paper grades, demand for tissue papers has

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been unusually strong, with the four-month 1989 total showing a 3.4% gain over its year-ago level. Total consumption of these papers has kept pace with real GNP throughout the Nineteen-Eighties, indicating that households have been increasing their use of these consumer papers.

Packaging paper production in the first four months of 1989, while below its year-ago level, held close to its 1988 average rate. However, shipments of unbleached kraft paper in April were well below production, bringing the 4-month shipments rate 5.1% below its 1988 average.

Paperboard: The steadiness in paperboard demand resulted from a pattern of offsetting gains and losses. Small gains in production of containerboard for domestic use and for export, along with production of the non-packaging grades, offset a 3% decline in production of boxboard for domestic use.

Export demand has been a strong support to total production of the containerboard grades. Where production of containerboard for domestic use showed a 0.2% gain over its year-ago level in the first four months of 1989, production of kraft paperboard for export gained 2.0% and production for export of semichemical paperboard gained 10.8%.

The gain in containerboard production just about matched the 0.6% increase in shipments of fiber boxes. Total containerboard inventories at mills and plants as of May 1, 1989 were a scant 1% above their year-ago total and matched last year's 5.1 weeks of supply.

Production of solid bleached board for export also registered a small gain, but not enough to keep the total production at its year-ago level. Recycled paperboard production, after three consecutive years of growth, declined by 2.3% from the first four months of 1988 to the comparable 1989 period.

The decline in boxboard production for domestic use is reflected in the market statistics. For example, the January-April 1989 total for solid bleached folding boxboard for domestic use was 3.2% below that of one year ago, while production of milk carton and food service paperboard excluding exports fell 2.4%.

IMPORTS AND EXPORTS

The Bureau of the Census reported that total imports of all paper and allied products in the first quarter of 1989 were 0.1% above their year-ago totals while exports gained 13.5%. For paper and paperboard alone, imports fell 2.5%, exports gained 10.7%. In dollar terms, total imports were at an annual rate of $11.4 billion, up 8.9%. Exports, at $8.4 billion, gained 19.9%.

Continued on page 11

PAPER AND PAPERBOARD STATISTICS

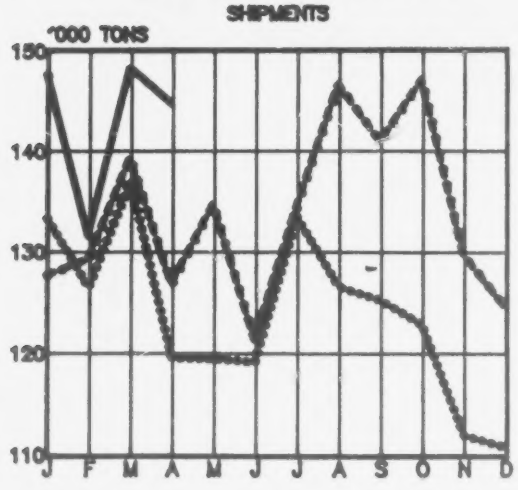
PRODUCTION, SHIPMENTS AND ORDERS
(Thousands of Short Tons)

	YEAR 1987	YEAR 1988	JANUARY 1989	FEBRUARY 1989 (R)	MARCH 1989 (R)	APRIL 1989 (P)	Annual Rate Y-T-D 1989	% Change From same Period Last Year
PAPER								
Newsprint - Production	5,842	5,982	507	445	516	495	5,898	-1.1
- Shipments	5,854	5,969	482	454	509	487	5,793	-1.4
Printing & Writing Sum	20,768	21,755	1,869	1,696	1,893	1,801	21,778	-1.0
Groundwood Paper - Shipments	1,485	1,601	148	131	148	145	1,715	9.4
- New Orders	1,529	1,631	140	126	164	129	1,674	9.3
-Unfilled Orders	164	207	182	178	201	181	181	8.7
Coated Papers - Shipments	6,860	7,359	633	550	608	574	7,093	-5.0
- New Orders	7,066	7,404	588	561	603	534	6,857	-7.6
- Unfilled Orders	708	721	678	696	701	665	665	-1.8
Unctd Free Sheet - Shipments	10,977	11,272	962	896	1,002	954	11,444	0.2
- New Orders	11,184	11,310	931	884	1,015	918	11,243	-2.9
- Unfilled Orders	773	781	680	695	720	668	668	-16.8
Thin Papers - Shipments	240	217	14	16	15	15	181	-22.6
Cotton Fiber Paper - Shipments	163	162	13	13	15	13	160	-2.8
Bleached Bristols - Production	1,044	1,144	100	90	106	100	1,184	4.2
Tissue Paper - Production	5,301	5,476	466	437	505	465	5,617	3.4
Total Packaging & Other Paper	5,074	5,199	455	407	448	386	5,091	-4.6
Unbl. Kraft Paper - Shipments	3,081	3,038	272	236	265	219	2,975	-5.1
Other Paper - Production	1,993	2,162	182	171	184	168	2,116	-3.7
TOTAL PAPER-Production-Unadj.	36,985	38,413	3,297	2,985	3,363	3,147	38,375	-0.9
-Production-S.A. RS			3,230	3,144	3,272	3,166	38,438	-0.3
PAPERBOARD - PRODUCTION								
Solid Wood Pulp Furnish	28,862	29,318	2,535	2,307	2,545	2,409	29,389	0.2
Total Unbl. Kraft Paperboard	18,898	19,149	1,653	1,522	1,656	1,586	19,252	0.2
Unbl. Kraft Linerboard (1)	17,683	17,897	1,540	1,430	1,554	1,491	18,045	0.5
Production for Export	2,303	2,296	206	217	202	213	2,513	2.0
Other Unbl. Kraft Paperboard	1,215	1,244	113	92	102	96	1,207	-4.2
Semichemical Paperboard	5,549	5,666	503	444	496	468	5,731	2.8
Production for Export	193	136	16	11	17	8	157	10.8
Solid Bleached Paperboard	4,496	4,511	379	341	392	356	4,496	-3.1
Production for Export	619	628	57	44	60	51	637	0.7
Recycled Paperboard	8,601	8,789	750	694	749	739	8,768	-2.3
Production for Export	75	72	4	3	3	4	40	-53.1
TOTAL PAPERBOARD-Prod.-Unadj.	37,445	38,107	3,285	3,001	3,285	3,148	38,155	-0.4
- Containerboard Prod.(Dom. Use)	23,025	23,563	2,027	1,833	2,031	1,929	23,457	0.2
- Boxboard Prod.(Dom. Use)	6,969	7,125	600	549	606	578	7,001	-3.3
- All Other P'bd Prod.(D.U.)	4,262	4,288	375	344	365	366	4,349	0.3
- Total Paperbd Prod. for Export	3,190	3,132	283	274	283	276	3,347	0.7
TOTAL PAPERBOARD PROD.- S.A. RS			3,217	3,259	3,171	3,233	38,642	0.4
TOTAL PAPER AND PAPERBOARD Production - Unadj.	74,430	76,520	6,582	5,986	6,648	6,295	76,530	-0.6
Production - S.A. RS			6,448	6,403	6,443	6,399	77,080	0.0

(1) Includes all exports of kraft paperboard. R - Revised P - Preliminary S.A. - Seasonally Adjusted

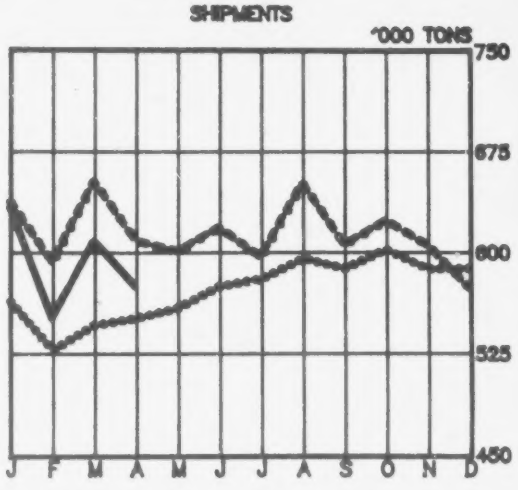
GROUNDWOOD PAPER, UNCOATED

SHIPMENTS



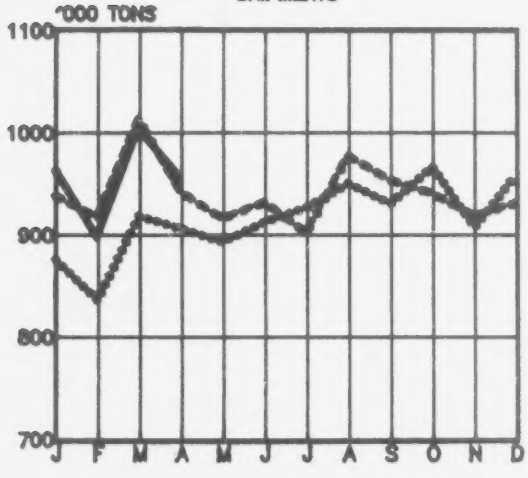
COATED PAPER

SHIPMENTS



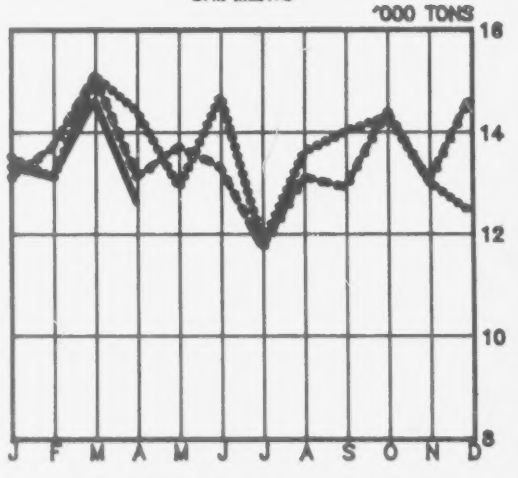
UNCOATED FREE SHEET PAPERS

SHIPMENTS



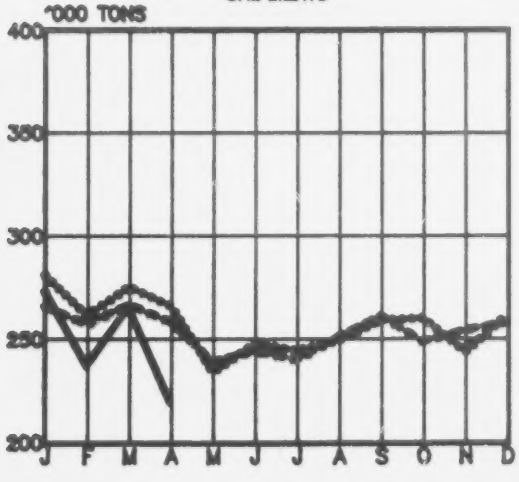
COTTON FIBER PAPER

SHIPMENTS



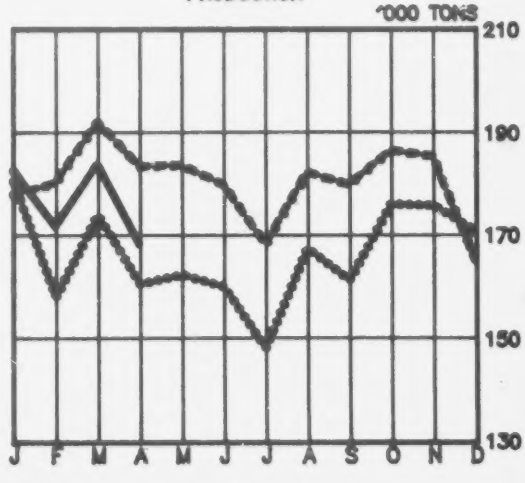
UNBLEACHED KRAFT PACKAGING
AND INDUSTRIAL CONVERTING PAPER

SHIPMENTS



OTHER PAPER

PRODUCTION



1987 ••••••••• 1988 ▬▬▬ 1989 ———

WOOD PULP STATISTICS
(Thousands of Tons)

	YEAR 1987	YEAR 1988	DECEMBER 1988	JANUARY 1989	FEBRUARY 1989	MARCH 1989	Annual Rate Y-T-D 1989	% Change from same Period Last Year
TOTAL WOOD PULP			A	A	R	P		
Total Wood Pulp - Production	59,552	61,161	5,282	5,466	4,821	5,306	62,374	1.1
- Imports	4,850	5,038 A	414	432	395	466	5,172	3.4
- Exports	4,889	5,528	573	457	507	623	6,347	19.7
- New Supply	59,513	60,671	5,123	5,442	4,709	5,149	61,198	-0.3
Dissolving Pulp - Production	1,312	1,367	127	127	102	142	1,484	14.5
- Imports	198	248	25	19	22	37	313	17.7
- Exports	752	865	89	55	69	86	840	12.7
- New Supply	757	751	64	91	56	93	957	17.3
Paper Grades - Production	48,293	49,493	4,303	4,423	3,935	4,281	50,555	0.9
Chemical Pulp - Imports	4,456	4,419 A	364	392	348	406	4,585	3.6
- Exports	4,111	4,612	478	394	432	530	5,423	20.5
- New Supply	48,637	49,300	4,189	4,421	3,851	4,158	49,718	-0.6
Groundwood, and - Production	5,702	5,943	484	520	438	502	5,837	-1.8
Thermo-Mech. - Imports	197	371 A	24	22	24	23	273	-12.8
- Exports	26	51	6	9	6	7	85	51.8
- New Supply	5,872	6,263	503	533	456	517	6,025	-2.8
Semi-Chemical - Production	4,246	4,358	367	397	346	382	4,498	3.7
- Imports								
- Exports								
- New Supply	4,246	4,358	367	397	346	382	4,498	3.7
MARKET WOOD PULP								
Total Market - Production	8,114	8,565	773	777	687	770	8,935	3.7
Wood Pulp - Imports	3,235	3,471	298	280	253	304	3,350	-2.2
- Exports	4,820	5,071	510	401	407	541	5,394	7.1
- New Supply	6,529	6,966	560	656	534	533	6,890	-1.6
Dissolving Pulp - Production	1,308	1,365	127	127	102	141	1,477	14.1
- Imports	154	206	22	7	17	29	213	-5.3
- Exports	775	798	88	55	64	92	845	13.0
- New Supply	687	774	61	79	54	78	845	9.6
Paper Grades - Production	6,806	7,200	646	650	586	629	7,457	1.8
Chemical Pulp - Imports	2,975	3,126	273	269	234	269	3,088	2.7
- Exports	4,045	4,273	422	346	343	449	4,549	6.1
- New Supply	5,736	6,052	497	573	476	449	5,996	-0.8
Groundwood Pulp - Production	0	0	0	0	0	0	0	0.0
and All Other - Imports RS	106	139	2	4	3	6	50	-74.3
- Exports	0	0	0	0	0	0	0	0.0
- New Supply	106	139	2	4	3	6	50	-74.3

SOURCES: Total Wood Pulp Production & Market Wood Pulp Production, Imports & Exports - Pulp Division, Pulp, Materials and Technology Group, API. Total Wood Pulp Imports & Exports - Department of Commerce.
NOTE: A - API shifted Import data from January 1989 to December 1988 to compensate for misallocation of reported data.

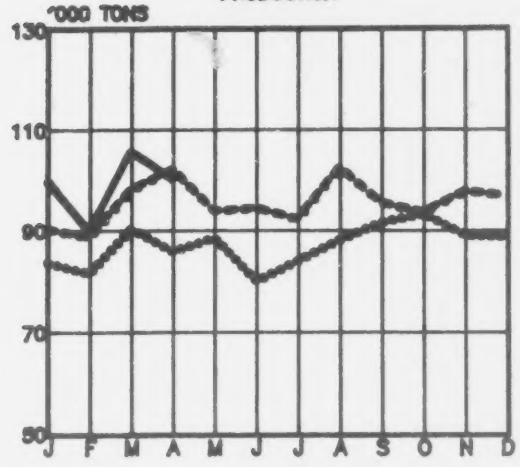
FIBROUS RAW MATERIALS
(Thousands of tons)

	YEAR 1987	YEAR 1988	DECEMBER 1988	JANUARY 1989	FEBRUARY 1989	MARCH 1989	Annual Rate Y-T-D 1989	% Change from same Period Last Year
CONSUMPTION AT PAPER & PAPERBOARD MILLS					R	P		
Total	77,468	79,707	6,733	6,952	6,286	6,882	80,482	0.2
Total Wood Pulp	59,474	60,847	5,208	5,370	4,783	5,270	61,690	0.5
Waste Paper	17,993	18,860	1,526	1,582	1,504	1,613	18,792	-1.0
INVENTORIES								
Chemical Paper Grade Market Pulp								
Producers' Own-Use Inventories	170	169	172	178	178	179	179	6.0
Producers' Market Inventories	224	237	261	344	354	277	277	16.8
Consumers' Purchased Inventories #	529	532	622	596	608	624	624	17.2
Waste Paper at Paper & Bd. Mills	902	907	1,068	1,050	1,016	1,044	1,044	15.2
Days of Supply at Pulp Mills of Chemical Paper Grade Mkt Pulp	12	12	14	18	18	13	13	8.3

SOURCES: Wood Pulp Data, Pulp Division, Pulp, Materials and Technology Group, API. Waste Paper Data, Paper Recycling Committee, API. # Includes all grades of wood pulp.
P - Preliminary; R - Revised; (0) - Indicates zero to five-hundred short tons RS - 1988 Revised Series

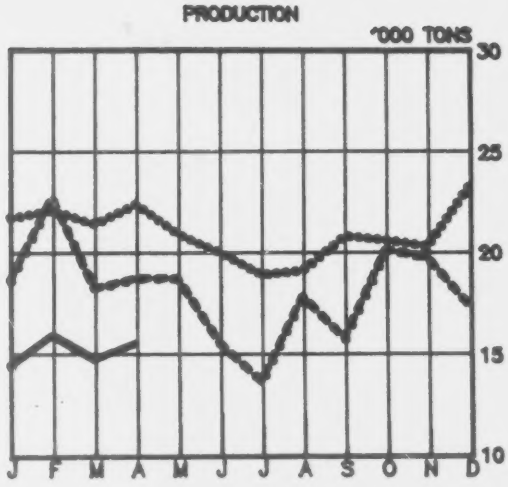
BLEACHED BRISTOLS

PRODUCTION



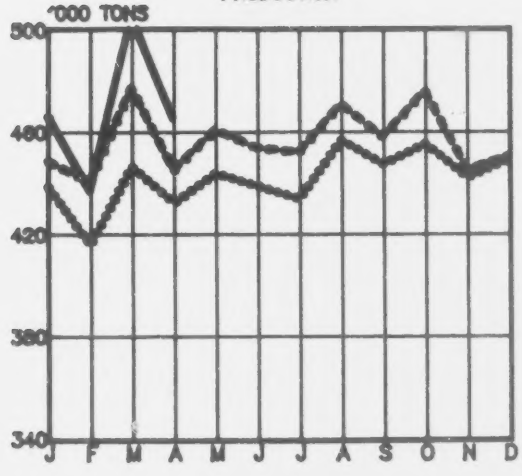
THIN PAPER

PRODUCTION



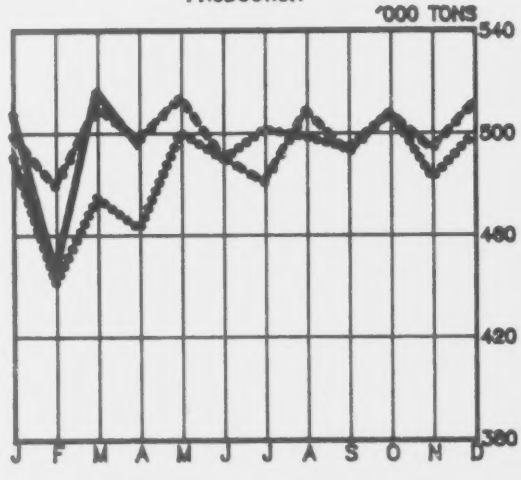
TISSUE PAPER

PRODUCTION



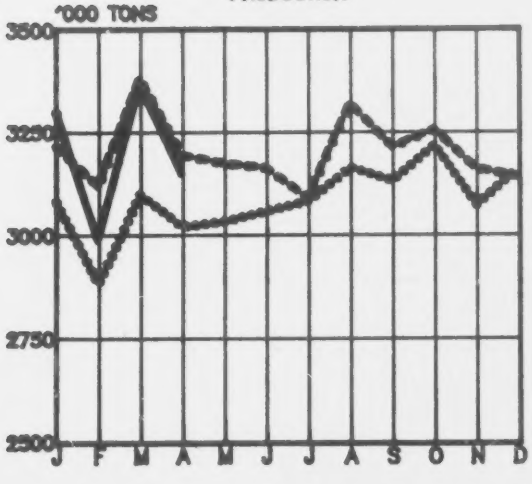
NEWSPRINT

PRODUCTION



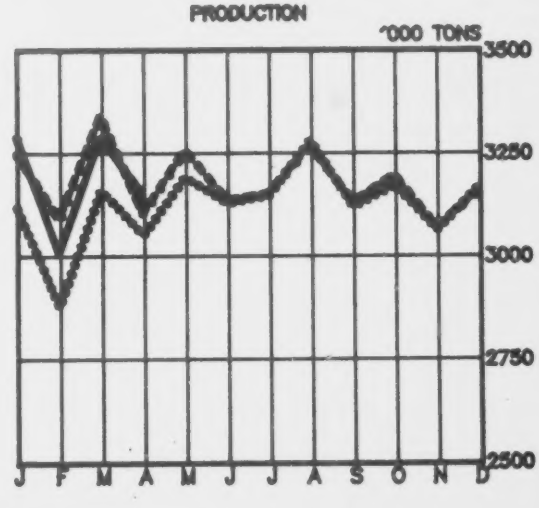
TOTAL PAPER

PRODUCTION



TOTAL PAPERBOARD

PRODUCTION



1987 1988 1989

F I B R O U S R A W M A T E R I A L S

(Thousands of Standard (128 cubic foot) Cords)

		YEAR 1987	YEAR 1988	DECEMBER 1988	JANUARY 1988	FEBRUARY 1989	MARCH 1989	Annual Rate Y-T-D 1989	% Change From Same Period Last Year
PULPWOOD									
Total U.S.	- Total Receipts	94,312	95,537	8,370	8,440	7,748	8,035	96,892	0.9
	- Total Consumpt	93,946	95,497	8,198	8,358	7,837	8,169	97,456	0.6
	- Residues *	32,899	33,186	2,812	2,894	2,746	2,776	33,664	1.8
	- Inventories	5,096	4,888	4,888	4,861	4,701	4,490	4,490	-9.1
So. Atlantic	- Total Receipts	31,147	31,582	2,786	2,765	2,542	2,558	31,460	-0.7
	- Total Consumpt	30,915	31,567	2,716	2,763	2,623	2,660	32,184	1.6
	- Residues *	9,553	9,897	885	860	874	768	10,098	-1.9
	- Inventories	1,211	1,200	1,200	1,194	1,115	1,020	1,020	-11.7
Northeast	- Total Receipts	6,941	7,187	689	698	656	628	7,928	8.1
	- Total Consumpt	7,109	7,216	680	624	586	624	7,336	-2.0
	- Residues *	1,543	1,664	151	133	168	150	1,804	11.4
	- Inventories	594	572	572	597	685	667	667	1.5
South Central	- Total Receipts	33,650	33,751	3,004	2,897	2,628	2,989	34,056	1.2
	- Total Consumpt	33,059	33,646	3,031	2,920	2,743	3,032	34,780	1.8
	- Residues *	9,992	9,890	841	879	737	898	10,056	1.9
	- Inventories	1,294	1,160	1,160	1,133	953	974	974	-9.6
North Central	- Total Receipts	6,552	6,865	608	690	631	543	7,456	-3.4
	- Total Consumpt	6,764	6,929	558	681	561	576	6,952	-3.7
	- Residues *	1,263	1,334	102	114	119	136	1,476	-0.8
	- Inventories	838	839	839	932	979	870	870	-13.2
West	- Total Receipts	16,022	16,152	1,283	1,290	1,291	1,317	15,992	2.1
	- Total Consumpt	16,099	16,139	1,293	1,450	1,324	1,277	16,204	-0.9
	- Residues *	10,348	10,401	833	908	848	824	10,320	4.3
	- Inventories	1,167	1,117	1,117	1,085	969	959	959	-9.5

* - Consumption of Residues in Cord Equivalents. SOURCE: American Pulpwood Association 23-May-89

U N I T E D S T A T E S T R A D E W I T H C A N A D A

IMPORTS FROM CANADA

		YEAR Tons	YEAR 1988 ($000's)	FEBRUARY 1989 Tons	FEBRUARY 1989 ($000)	MARCH 1989 Tons	MARCH 1989 ($000)	Annual Rate Y-T-D 1989 Tons	% Change From same Period Last Year
Pulpwood, Roundwood (in cords of 128 cubic feet)		39,337	4,195	18,515	986	13,128	389	201,632	623.7
Pulpwood chips		876,038	35,184	93,527	3,691	102,766	3,989	1,107,622	23.7
Wood Pulp, Total	A	4,348,245	2,282,329	369,269	218,489	407,201	242,085	4,651,524	7.0
Waste Fibrous Materials, Total		227,804	48,450	13,440	2,600	15,733	3,705	200,460	-21.1
Paper, Board & Products, Total	A	10,497,185	5,715,612	839,988	462,219	936,589	522,760	10,786,306	-0.8
Paper, Paperboard,Wet Machine Bd. & Constr. Paper & Bd.	A	10,348,278	5,458,884	820,473	439,658	922,824	495,568	10,579,301	-1.1
Paper, Paperboard & Products	A	10,203,277	5,649,813	819,398	457,980	922,980	519,243	10,559,046	-1.1
Paper & Paperboard, Only	A	10,134,369	5,392,286	799,883	435,419	908,415	492,051	10,352,041	-1.1
Paper, Total	A	9,869,253	5,295,796	771,029	423,826	879,871	480,558	9,979,384	-2.1
Newsprint	A	8,284,789	4,320,823	619,120	322,745	707,386	364,622	7,850,264	-9.5
Printing, Writing & Rel. Pap.	A	1,304,883	887,306	130,882	85,194	148,543	99,033	1,802,657	41.1
Pack. & Ind. Conv. Paper		227,493	120,765	15,038	8,033	16,928	9,528	228,959	-8.1
Special Industrial Paper		4,767	9,186	2,266	3,855	2,360	3,067	37,222	667.1
Tissue Paper		48,281	38,596	4,522	3,999	4,655	4,389	60,281	17.1
Paperboard, Total		265,116	96,490	28,854	11,593	28,544	11,493	372,657	39.1
Convtd Paper&Paperbd Products		148,988	257,528	19,515	22,561	14,565	27,192	207,805	35.1
Wet Machine Board		2,939	2,128	11	8	0	0	92	-97.1
Construction Paper & Board		210,970	63,679	20,579	4,231	13,609	3,517	227,168	23.1

NOTE: A - API shifted Import data from January 1989 to December 1988 to compensate for misallocation of reported data.

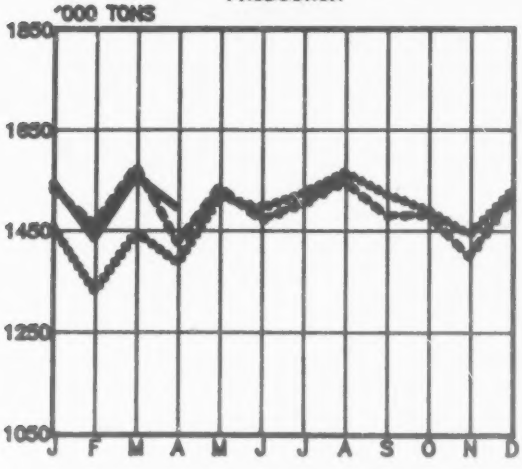
EXPORTS TO CANADA

Pulpwood, Roundwood (in cords of 128 cubic feet)	14,180	836	0	0	0	0	188	-98.7
Pulpwood chips	33,040	1,739	1,249	57	2,693	194	19,339	-48.1
Wood Pulp, Total	280,074	181,214	21,021	6,733	37,611	15,674	298,992	25.1
Cotton Pulp & Other Pulp	84,891	24,962	692	419	611	384	7,879	-91.1
Waste Paper	331,999	38,199	28,426	3,752	34,064	4,035	315,858	12.1
Paper, Board & Products, Total	1,050,117	715,960	69,694	52,250	89,690	69,068	840,631	-21.1
Paper, Paperboard,Wet Machine Bd. & Constr. Paper & Bd.	773,973	464,416	44,916	33,247	64,242	46,289	572,927	-38.1
Paper, Paperboard & Products	1,013,157	699,127	68,356	51,636	87,616	68,256	823,404	-21.1
Paper & Paperboard, Only	737,013	447,583	43,577	32,634	62,168	45,477	555,701	-29.1
Paper, Total	340,156	293,175	23,647	22,288	32,412	31,781	298,286	-20.1
Newsprint	5,806	5,304	363	293	379	321	5,137	56.1
Printing, Writing & Rel. Pap.	166,667	160,807	13,282	12,309	20,570	19,726	183,828	4.1
Pack. & Ind. Conv. Paper	41,718	29,572	2,657	1,554	5,159	2,569	40,050	-3.1
Special Industrial Paper	118,806	90,276	6,976	7,550	5,797	8,358	64,308	-57.1
Tissue Paper	7,160	8,016	369	583	507	814	4,962	-6.1
Paperboard, Total	396,857	154,408	19,930	10,345	29,757	13,696	257,415	-37.1
Convtd Paper&Paperbd Products	276,145	251,544	24,779	19,003	25,447	22,779	267,704	5.1
Wet Machine Board	6,527	2,598	183	78	360	134	2,194	-70.1
Construction Paper & Board	30,433	14,243	1,156	536	1,713	677	15,032	-44.1

SOURCE: Bureau of Census, Department of Commerce . E - Estimate of tonnage based on square foot data 23-May-8

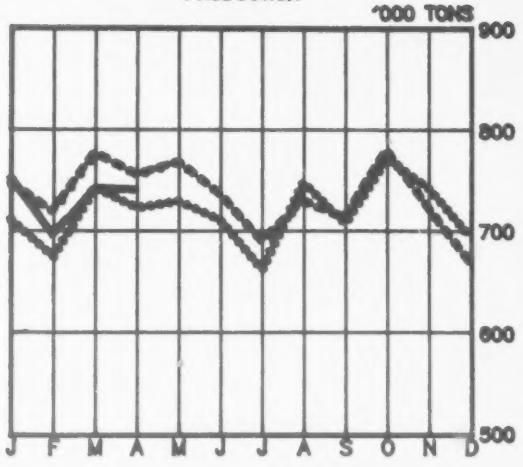
UNBLEACHED KRAFT LINERBOARD

PRODUCTION



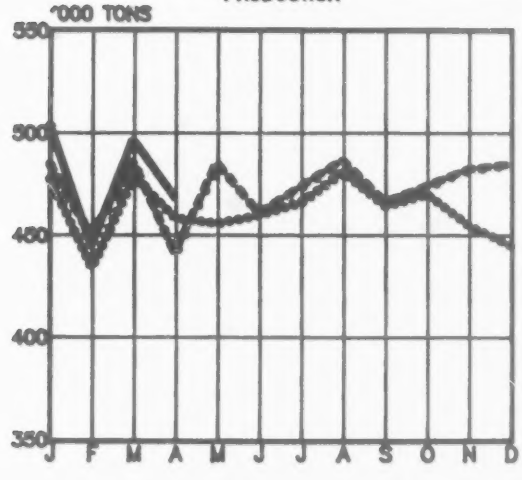
RECYCLED PAPERBOARD

PRODUCTION



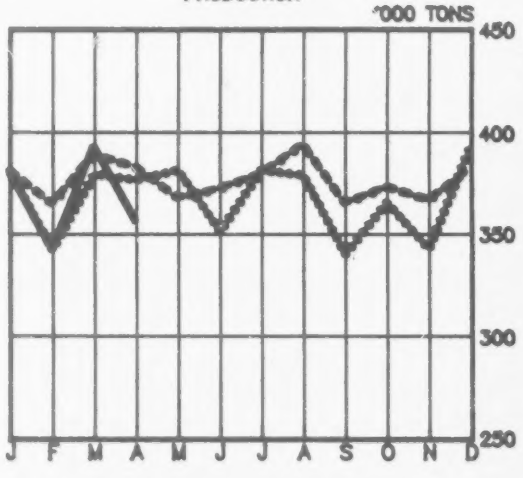
SEMICHEMICAL PAPERBOARD

PRODUCTION



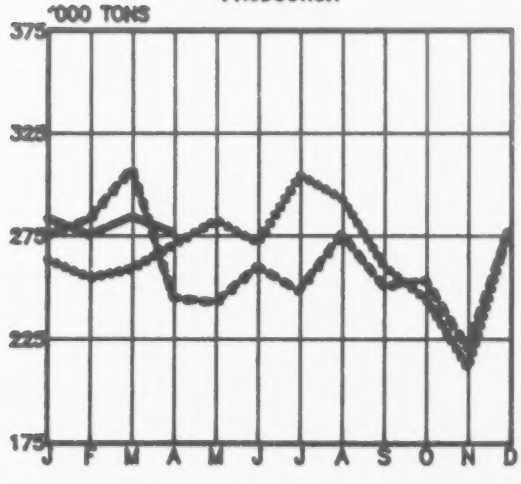
SOLID BLEACHED PAPERBOARD

PRODUCTION



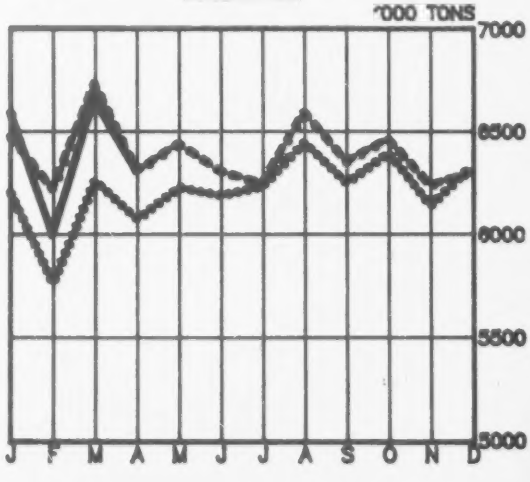
PAPERBOARD FOR EXPORT

PRODUCTION



TOTAL PAPER AND PAPERBOARD

PRODUCTION



1987 1988 1989

I M P O R T S

		YEAR 1988 Tons	YEAR 1988 $000	1989 FEBRUARY Tons	1989 FEBRUARY $000	1989 MARCH Tons	1989 MARCH $000	(1) Annual Rate YTD 1989 Tons	% Chan from sa Perio Last Ye
Pulpwood Roundwood (cords)		39,515	4,200	18,515	586	13,128	309	201,632	62
Pulpwood Chips		888,636	35,553	94,393	3,719	103,363	3,922	1,118,217	2
Total All Imports	A	18,402,259	10,725,164	1,434,223	880,338	1,632,309	1,012,825	18,446,612	
Wood Pulp Total	A	5,038,158	2,663,424	394,512	233,775	466,027	278,786	5,171,661	
Waste Paper		161,367	27,361	13,752	2,547	17,852	3,919	220,394	1
Other Fibrous Materials		92,505	32,331	661	499	2,302	2,023	16,006	-8
Paper Board & Products Total	A	13,110,229	8,002,047	1,025,297	643,517	1,146,128	728,097	13,038,551	-
Paper Paperboard Wet Machine Bd. & Construction Paper & Board	A	12,679,974	6,989,006	968,096	564,222	1,097,163	634,606	12,428,364	-
Paper Ppbd & Prds ex Cnst&WMB	A	12,787,784	7,893,637	1,001,341	638,101	1,128,026	723,341	12,767,472	-
Paper & Paperboard Only	A	12,357,530	6,880,596	944,140	558,806	1,079,061	629,850	12,157,286	-
Paper Total	A	12,016,519	6,749,882	910,590	540,845	1,043,617	612,572	11,725,106	-
Newsprint	A	8,801,503	4,569,853	626,756	327,095	741,916	379,335	8,083,965	-
Printing & Writing	A	2,812,259	1,899,745	242,073	174,130	264,365	194,574	3,113,175	1
Uncoated Groundwood		1,362,642	792,881	124,712	74,105	132,755	81,129	1,609,129	1
Coated Print.& Impreg. Pap.	A	797,765	641,466	53,804	45,158	57,922	48,353	682,328	-
Uncoated Free Sheet	A	591,830	414,326	52,456	42,294	58,854	48,136	654,662	1
Uncoated Book	A	258,146	175,746	N.L.R.	N.L.R.	N.L.R.	N.L.R.	N.L.R.	N.L
Writing and Similar Paper	A	333,683	238,580	52,456	42,294	58,854	48,136	654,662	9
Thin (except Cigarette)		55,774	48,804	6,492	7,243	9,777	11,003	103,498	8
Bristols		4,247	2,269	4,609	5,329	5,058	5,954	63,558	619
Total Pkg & Other Paper		343,196	231,796	32,216	31,155	28,171	30,270	411,940	1
Unbleached Kraft Paper		161,708	76,116	19,158	9,097	16,975	8,335	252,008	4
Other Pkg. & Indust. Paper		181,488	155,680	13,065	22,058	11,199	21,935	159,932	-
Tissue		59,561	48,498	9,545	8,466	9,162	8,393	116,026	6
Paperboard, Total		341,011	130,714	33,550	17,261	35,444	17,278	432,180	2
Test or Containerboard		85,682	36,145	4,491	2,166	5,883	2,183	73,066	-
Semi-Chemical Corrugating		142,498	43,596	9,945	3,037	10,480	3,322	120,221	- -1
Other Paperboard		112,839	50,972	19,114	12,758	19,082	11,773	238,893	11
Convtd Paper&Paperbd Products		430,255	1,013,041	57,202	79,295	48,965	93,491	610,186	5
Paper Products, Total		393,089	944,974	48,585	66,516	38,809	76,364	498,892	4
Paperboard Products, Total		37,166	68,067	8,617	12,779	10,157	17,128	111,294	21
Wet machine Board		4,239	3,780	13	11	44	53	322	-9
Construction Paper & Board		318,206	104,630	23,943	5,405	18,058	4,704	270,757	
Notes									
Other: No Weight Avail. ($000)			177,686		10,067		11,363	110,455	-1
Total Imports Incl. Other($000)			10,902,850		890,405		1,024,188	11,385,863	

NOTE: A - API shifted Import data from January 1989 to December 1988 to compensate for misallocation of reported data.

E X P O R T S

	YEAR 1988 Tons	YEAR 1988 $000	1989 FEBRUARY Tons	1989 FEBRUARY $000	1989 MARCH Tons	1989 MARCH $000	(1) Annual Rate YTD 1989 Tons	%
Pulpwood, Roundwood (cords)	15,470	894	94	18	3,548	44	66,204	5
Pulpwood Chips	3,503,100	286,191	290,349	18,576	407,795	30,096	4,031,658	
Total All Exports	17,861,208	7,467,363	1,553,660	667,982	1,760,147	837,729	18,673,001	
Wood Pulp,Total	5,528,292	2,914,521	506,690	262,182	622,808	346,789	6,347,092	
Cotton Pulp and Other Pulp	201,567	111,923	7,231	5,298	14,387	11,807	119,036	-3
Waste and Old Paper	5,640,118	688,258	513,648	61,534	513,536	61,774	5,896,979	
Paper, Board & Products,Total	5,691,231	3,752,661	526,091	338,968	609,415	417,278	6,309,894	
Paper,Paperboard,Wet Machine Bd. & Construction Paper & Board	4,876,563	2,781,405	437,431	240,083	514,846	302,610	5,302,226	
Paper, Ppbd & Prod ex Cnst&WMB	5,559,356	3,683,601	523,525	337,903	606,268	415,952	6,273,349	
Paper & Paperboard, Only	4,744,688	2,632,346	434,864	239,018	511,699	301,283	5,265,681	
Paper, Total	1,102,490	988,031	118,505	96,932	142,253	130,093	1,429,336	
Newsprint	427,296	295,474	56,616	34,981	60,792	36,727	663,651	1
Printing & Writing	287,208	313,047	31,190	30,021	49,335	45,045	421,245	
Uncoated Groundwood	70,286	58,639	6,238	4,733	10,006	7,315	86,876	
Clay Coated Paper	97,464	79,731	8,552	7,930	17,865	12,310	135,464	
Uncoated Free Sheet	82,660	124,049	6,549	7,076	8,650	11,883	77,911	
Other Printing & Writing	36,799	50,629	9,852	10,281	12,815	13,537	121,794	1
Total Pkg. & Other Paper	346,718	342,117	29,454	30,033	30,194	45,326	325,332	-
Unbleached Kraft	110,875	54,975	9,185	4,353	10,847	5,383	118,217	
Other Pkg. & Indust. Paper	236,643	287,142	20,269	25,680	19,347	39,942	207,115	-
Tissue	41,268	37,393	1,244	1,897	1,933	2,995	19,108	-9
Paperboard, Total	3,642,198	1,644,314	316,360	142,086	369,446	171,191	3,836,345	
Solid Wood Pulp	3,359,078	1,511,057	300,378	132,244	350,933	162,818	3,649,690	
Total Linerboard	2,281,362	887,846	231,521	88,238	250,218	94,933	2,655,729	
Bleached Kraft Linerboard	140,801	73,728	35,866	15,315	19,031	9,494	309,554	
Unbleached Kraft Linerbd	2,140,562	814,119	195,655	72,924	231,087	85,439	2,346,174	
Other Unbleached Kraft	292,437	102,638	17,607	8,647	19,551	9,688	222,138	-
Other Bleached Kraft	742,918	502,513	49,126	34,460	80,434	57,848	746,641	
Semi-Chemical Corrugating	42,360	18,060	2,124	899	830	348	25,182	-9
Recycled Paperboard	283,121	133,257	15,982	9,842	18,513	8,373	186,654	-
Convtd Paper&Paperbd Products	814,668	1,051,256	88,660	98,885	94,569	114,668	1,007,668	
Paper Products, Total	367,548	682,281	39,986	63,101	46,315	74,248	462,040	
Paperboard Products, Total	447,121	368,975	48,675	35,784	48,254	40,420	545,628	
Wet Machine Board	11,691	4,915	271	111	422	157	3,270	-
Construction Paper & Board E	120,184	64,145	2,295	954	2,726	1,169	33,275	-
Notes								
Other: No Weight Avail. ($000)		9,170		1,422		1,459	13,906	
Total Exports Incl. Other($000)		7,476,533		669,404		839,188	8,430,994	

SOURCE: Bureau of Census, U.S. Department of Commerce. E - Incl. estim. of tonnage based on square foot data.
(1) Annual Rate Year-To-Date is in tons unless otherwise specified in item description. N.L.R. - No longer reported.

PRODUCER PRICE INDEXES
1982 = 100

	1987	1988	JANUARY 1989	FEBRUARY 1989	MARCH 1989	APRIL 1989	Annual Rate Y-T-D 1989	% Chan from sa Perio Last Ye
Pulp, Paper and Products except Building Grades	114.3	124.8	129.3	131.1	132.0	132.7	131.3	8
Pulp Paper & Products, ex. Building Grades & ex Waste Paper *	113.2	123.8	128.9	130.7	131.6	132.3	130.8	9
Total Wood Pulp	111.5	136.7	149.1	151.5	153.4	155.7	152.4	19
Total Paper	111.5	123.2	128.7	130.2	130.7	131.3	130.2	9
Total Paper, exc. Newsprint	110.6	123.4	129.5	130.7	131.4	132.1	130.9	10
Newsprint	112.3	127.6	126.1	128.8	128.3	128.2	127.9	0
Total Paperboard	118.1	133.2	137.8	138.7	141.6	143.8	140.5	8
Total Paper and Paperboard *	113.6	126.4	131.6	132.9	134.1	135.2	133.4	5
Converted Products	114.7	123.0	127.6	129.8	130.3	130.5	129.6	6
Waste Paper	181.4	183.6	155.3	156.8	158.2	159.1	157.4	-15
All Commodities	102.8	106.9	110.3	110.8	111.5	112.3	111.2	5
Industrial Commodities	102.6	106.3	109.4	110.0	110.6	111.7	110.4	5

SOURCE: Producer Price Indexes: Bureau of Labor Statistics, U.S. Department of Labor * Computed by API

PAPER PRODUCTION WORKER HOURLY COMPENSATION
(measured in U.S. dollars)

	1980	1985	1986	1987
United States	$10.65	$14.95	$15.42	$15.77
Brazil	1.48	1.41	N.A.	N.A.
Canada	10.53	14.05	14.49	15.70
France	9.91	7.88	11.02	13.30
Germany	11.41	8.70	12.20	15.59
Italy	8.95	7.96	10.67	13.17
Japan	5.87	6.99	9.97	11.93
Korea	1.23	1.45	1.58	1.93
Spain	6.90	5.28	7.01	8.55
Sweden	13.90	10.96	14.28	17.36
Taiwan	1.17	1.70	1.91	2.44
United Kingdom	7.76	6.71	8.15	9.75

N.A. = Not Available

Source: Bureau of Labor Statistics

MARKET WOOD PULP

U.S. production of chemical paper grade market pulp averaged 100% of capacity during the first four months of 1989, versus 98% of capacity during January-April of 1988. On a monthly basis, operating rates for domestic chemical paper grade market pulp capacity hovered in the 102-103% range during January and February of this year, but then eased slightly to 98% in March and 100% in April.

Other major producing countries have also been recording high operating rates for chemical paper grade market pulp this year. Overall, North American and Nordic producers of chemical paper grade market pulp utilized 99% of their combined capacity during the first four months of 1989, which was on par with utilization rates recorded during January-April of 1988.

U.S. shipments of chemical paper grade market pulp exceeded their year-ago volume by 3% during the first four months of 1989. However, shipments to the domestic market were off 3%, while exports advanced 6.5%. U.S. exports to Japan exceeded their year-ago volume by a vigorous 39% during the first four months of 1988, while shipments from the U.S. to Europe pulled ahead by 3%. U.S. exports to other markets were off 6%.

Total shipments of chemical paper grade market pulp from North American and Nordic producers matched their year-ago volume during the first fourth months of 1989. Shipments from these major producing regions to U.S. mills were off 1%.

Inventories of chemical paper grade market pulp held by U.S. producers edged up from 13 days of supply at the end of March to 14 days of supply at the end of April. These inventories previously escalated from 14 days of supply at the end of 1988 to 18 days of supply in January and February of 1989 before moderating again.

Combined North American and Nordic chemical paper grade market pulp inventories held steady at 15 days of supply from April to May. They previously rose from 13 days of supply at the end of 1988 to 17 days of supply in January and February, respectively.

Purchased pulp inventories held by domestic consuming mills have been trending upward since the end of 1987, when they amounted to 32 days of supply. They reached 37 days of supply at the end of 1988 and 39 days by the end of March 1989.

Continued on page 12

COMPENSATION TRENDS FOR U.S. AND FOREIGN PAPER WORKERS

The U.S. Bureau of Labor Statistics collects annual data regarding hourly compensation earned by paper workers in several key paper producing nations of the world. The most recent data that have been compiled by the BLS pertain to 1987.

For U.S. paper industry production workers, the data indicate that hourly compensation rose 48% between 1980 and 1987 to $15.77 an hour. The consumer price index (CPI) advanced 38% during that same seven year period, suggesting that inflation-adjusted compensation rose by about 7%.

The Canadian and Swedish paper industries compete with U.S. producers on several fronts. Canada is a major exporter of newsprint and market pulp and has also been expanding its share of the U.S. printing-writing paper market. Average hourly compensation paid by the Canadian paper industry increased 69% between 1980 and 1987 to C$20.81 an hour. Translated into U.S. currency, Canadian paper workers were paid $15.70 an hour in 1987, about on par with U.S. paper workers. (See table on page 10.)

The Swedish paper industry competes with U.S. exports of market pulp and linerboard to Europe and other parts of the world. Measured in krona, hourly compensation paid to Swedish pulp and paper workers increased 87% between 1980 and 1987 to 110.2 kroner per hour. Translated into U.S. dollars, hourly compensation of Swedish paper workers increased by only 25% between 1980 and 1987 to $17.36 an hour, or 110% of the comparable U.S. figure.

The U.S. dollar value of Swedish paper worker compensation was significantly influenced by exchange rate volatility during the period. The dollar's foreign exchange rate more than doubled relative to the krona between 1980 and 1985 and then dropped by 26% during the 1986 and 1987. During the 1983-85 period, when the dollar was at or near its peak relative to the krona, hourly compensation of Swedish paper workers was about 73% that of U.S. paper workers. In 1986 it rose to 93% of the U.S. level and in 1987 it reached 110% of the U.S. level.

Japan is a major importer of U.S. market pulp and linerboard. Measured in dollars, hourly compensation of Japanese paper workers amounted to only 47% of the U.S. level in 1985, but declines in the dollar/yen exchange rate subsequently lifted it to 65% of the U.S. level in 1986 and 76% in 1987.

A 2500-2

INDUSTRY FACT SHEET

AMERICAN PAPER INSTITUTE, INC.
260 Madison Avenue
New York, New York 10016

May 26, 1989

PRODUCTION (000 TONS)

*	(P) APRIL 1989	* MARCH 1989	* APRIL 1988	* FIRST 4 MONTHS 1989	* 1988	% CHAN YR TO D 1989/19
PAPER GRADES						
Newsprint	495	516	497	1,963	1,985	-1
Printing & Writing	1,801	1,893	1,809	7,259	7,331	-1
Uncoated Groundwood (s)	145	148	127	572	523	9
Coated Paper (s)	574	608	608	2,364	2,489	-5
Uncoated Free Sheet Paper (s)	954	1,002	941	3,815	3,807	0
Thin Paper (s)	15	15	19	60	78	-22
Cotton Fiber Paper (s)	13	15	13	53	55	-3
Bleached Bristols (s)	100	106	102	395	379	4
Tissue Paper	465	505	445	1,872	1,811	3
Total Pkg & Other Paper	386	448	441	1,697	1,778	-4
Unbl. Kraft Paper (s)	219	265	258	992	1,046	-3
Other Paper	168	184	183	705	733	-1
TOTAL PAPER	3,147	3,363	3,192	12,792	12,904	-0
PAPERBOARD GRADES						
Unbleached Kraft Paperboard	1,586	1,656	1,523	6,417	6,403	
Unbleached Kraft Linerboard	1,491	1,554	1,422	6,015	5,983	
Other Unbl. Kraft Paperboard	96	102	100	402	420	-4
Semichemical Paperboard	468	496	440	1,910	1,858	
Bleached Paperboard	356	392	382	1,469	1,515	-3
Recycled Paperboard	739	740	754	2,923	2,992	-2
TOTAL PAPERBOARD	3,148	3,285	3,099	12,718	12,768	-0
TOTAL PAPER AND PAPERBOARD	6,295	6,648	6,291	25,510	25,673	-0

WOOD PULP (ALL GRADES)	MARCH 1989	FEBRUARY 1989	MARCH 1988	FIRST 3 MONTHS 1989	1988	% Cha 89/
Dissolving & Special Alpha	142	102	103	371	324	1
Bleached Sulfite)	130	117	134	385	387	-0
Unbleached Sulfite)						
Bleached & Semi-Bl. Sulfate	2,327	2,122	2,244	6,833	6,587	
Unbleached Sulfate	1,825	1,696	1,880	5,421	5,550	-2
Semichemical	382	346	360	1,125	1,085	
Groundwood & Thermomechanical	502	438	499	1,459	1,486	-2
TOTAL PULP DIVISION DATA	5,306	4,821	5,220	15,593	15,419	

(s) - Shipments
P - Preliminary

MAY 31, 1989

	Full Year		INDUSTRY DATA 1988 - 1989			Ann. Rate Year - To - Date	% Fr Same Last
				R	P		
PAPER AND PAPERBOARD -- Tons (000)	1987	1988	February	March	April	1989	
Total Production (API).....: excluding :...	74,430	76,520	5,996	6,648	6,295	76,530	-
Total Seasonally Adjusted....:construction:...			6,403	6,443	6,399	77,080	
Imports (including Products).: and wet :..E	12,454	12,788	1,001	1,128	1,084	12,828	-
Exports (including Products).: machine :..E	5,197	5,559	524	606	518	6,259	1
Apparent Consumption.....: grades :...	81,687 a	83,748 b	6,881	6,965	6,965	83,099 c	-
Paper Production % Tonnage Capacity.....	94.3 g	95.4	95.0	96.3	93.7	95.1	
Paperboard Production % Tonnage Capacity.....	96.8 g	96.4	95.7	94.3	94.8	94.8	
			January	February	March		
IMPORTS.....:Including Construction and :...	12,837	12,876	1,088	1,025	1,146	13,039	-
EXPORTS.....: WMB Grades (excl. HPB) :...	5,304	5,797	442	526	609	6,310	
MARKET WOOD PULP PRODUCTION - Tons (000).....	8,114	8,565	777	687	770	8,935	
TOTAL WOOD PULP PRODUCTION - Tons (000).....	59,552	61,161	5,466	4,821	5,306	62,374	
WOOD PULP IMPORTS - TONS (000).....	4,850	5,038	432	395	466	5,172	
WOOD PULP EXPORTS - TONS (000).....	4,889	5,528	457	507	623	6,347	1
RAW MATERIALS CONSUMPTION - Tons (000)							
..PAPER AND BOARD MILLS : excluding :			January	February	March		
Wood Pulp.....:consumption for:.....	59,475	60,847	5,370	4,783	5,270	61,690	
Waste Paper.....:construction & :.....	17,993	18,860	1,582	1,504	1,613	18,792	-
TOTAL.....: WMB grades :.....	77,468	79,707	6,952	6,287	6,882	80,482	
PULPWOOD CONSUMPTION Cords(000)Amer.Pulpwd. Assn	93,946	95,497	8,358	7,837	8,169	97,456	
EMPLOYMENT (000)			February	March	April		
Paper and Allied Products.....Total.....	679.0	689.3	691.2	693.1	692.3	691.2	
Pulp, Paper and Board Mills.....Total....E	244.9	245.5	244.5	244.8	244.4	244.3	
AVERAGE HOURLY EARNINGS OF PRODUCTION WORKERS ($)			February	March	April		
Paper and Allied Products.....	11.42	11.64	11.80	11.84	11.82	11.81	
Pulp, Paper Mills.....E	14.00	14.29	14.49	14.56	14.56	14.51	
Paperboard Mills.....E	14.30	14.49	14.56	14.56	14.49	14.52	
CAPITAL EXPENDITURES, PAPER & ALLIED PRODUCTS			1988 Q3	1988 Q4	1989 Q1		
(Rept. by US Dept. of Com., Ann. Rates, Bill.$)*	9.81	11.23	11.37	12.53	15.47	15.21 Y	3
INDEX OF OUTPUT PER MAN-HOUR (1977=100).....			February	March	April		
:IN PULP, PAPER :...Production Workers.....	145.0	149.4	149.9	152.4	150.7	151.8	
:AND BOARD MILLS:...All Employees.....	141.8	146.2	146.6	149.1	147.3	148.4	
PAPER AND ALLIED PRODUCTS (Million $)			January	February	March		
Industry Shipments (Dept. of Commerce)*.....	118,855	127,718	10,938	10,802	10,868	130,432	
Pulp, Paper and Paperboard*.....	51,518	57,177	4,912	4,878	4,816	58,424	
Inventories (End of Period) - Total Industry*..	11,284	12,065	12,093	11,941	11,872	11,872	
Pulp, Paper and Paperboard*.....	4,266	4,325	4,478	4,473	4,547	4,547	
			1988 Q2	1988 Q3	1988 Q4		
Sales (Corporations Only).....	95,576	107,814 RS	27,227	27,344	26,939	107,814	1
Earnings (Corporations Only).....	5,520	8,077 RS	2,195	2,227	1,911	8,077	4
Depreciation (Corporations Only).....	4,279	4,620 RS	1,124	1,162	1,165	4,620	
Net Worth (Corporations Only).....	39,217	42,933 RS	41,621	43,015	42,933	42,933	
PRICE INDEXES (Bureau of Labor Stats)1982=100			February	March	April		
Pulp, Paper & Products, ex. Building Grades....	114.3	124.7	131.1	132.0	132.7	131.3	
Wood Pulp.....	111.6	136.7	151.5	153.4	155.7	152.4	1
Waste Paper.....	181.4	183.5	156.8	158.2	159.1	157.4	-1
Paper.....	111.5	123.2	130.2	130.7	131.3	130.2	
Paperboard.....	118.1	133.2	138.7	141.6	143.8	140.5	
PAPER DEMAND (INDEXED: 1977=100)			February	March	April		
Total Paper Production *.....	133.8	138.6	136.2	141.7	137.1	138.7	-
Paper New Supply *.....	140.6	144.6	138.7	146.5	142.4	143.1	-
Demand Indicators - (Weighted Average) *.....	154.5	163.7	171.6	172.7	172.4	171.8	
Production of Nondurable Goods *...(21.2%)..	136.8	143.9	148.1	148.3	148.9	148.5	
Disposable Income .....*.(23.9%)	130.0	134.9	139.9	140.0	139.0	139.4	
Total Printing and Publishing *...(54.9%)..	172.0	183.8	194.5	196.4	196.0	195.0	
Trend Factor				Not Available			
PAPERBOARD DEMAND (INDEXED: 1977=100)							
Total Paperboard Production *.....	129.2	131.6	135.1	131.4	134.0	133.5	
Production for Domestic Use	126.1	129.0	132.1	127.8	130.8	130.1	
Demand Indicators - (Weighted Average) *.....	125.9	132.5	136.3	135.8	136.6	136.2	
Production of Consumer Goods *...(62.06%)	127.7	133.9	138.6	137.8	138.6	138.4	
Production of Equipment *...(5.75%)	148.8	158.2	161.5	162.1	162.9	161.9	
Production of Materials *...(32.19%)	118.3	125.3	127.4	127.4	128.2	127.8	
Trend Factor				Not Available			
NEWSPRINT MARKETS			January	February	March		
Consumption by Publishers - Tons (000).....	13,583	13,598	1,063	1,028	1,166	13,029	-
Newspaper Pub. and Printing Empl. Total(000)...	471	475	478	477	475	477	
PRINTING AND FINE PAPER MARKETS							
MAGAZINE ADVERTISING PAGES (PIB, Inc.).....	164,771	167,901	10,857	13,977	15,409	160,973	
WHOLESALERS SALES AND INVENTORIES (Million $)							
Total Paper & Pap. Prdcts.,ex Wallpaper..Sales	44,741	52,377	4,464	4,242	4,831	54,148	
Inventories (End of Period).	3,850	4,436	4,728	4,562	4,506	4,506	
FIBRE BOX DATA (Fibre Box Association)			February	March	April		
Fibre Box Shipments (Million square feet).....	297,827	308,507	24,184	26,755	26,367	311,550	
Container'bd Inventory at Mill & Plant(000Tons).	2,486	2,553	2,612	2,569	2,593	2,593	
RETAIL TRADE (Billion $)			February	March	April		
Total Retail Sales *.....	1,511	1,612	139	139	140	1,676	
Nondurable Goods Stores Sales *.....	950	998	86	87	87	1,040	
GENERAL ECONOMIC DATA			February	March	April		
TOTAL INDUSTRIAL PRODUCTION (INDEX 1977 = 100)*..	129.8	137.2	140.4	140.5	141.1	140.7	
PRODUCER PRICES(ALL COMMODITIES)(INDEX 1982=100).	102.8	106.9	110.8	111.5	112.3	111.2	
CONSUMER PRICES (ALL ITEMS) (INDEX 1982-4=100)...	113.6	118.3	121.6	122.3	123.1	122.0	
			January	February	March		
TOTAL CONSUMER CREDIT OUTSTANDING - (Billion $)..	618.2	671.4	684.7	682.3	683.7	683.7	
GROSS NATIONAL PRODUCT - ANNUAL RATE (Billion$)..			1988 Q3	1988 Q4	1989 Q1		
G.N.P. or Expenditure - Current $.....	4,527	4,864	4,909	5,000	5,105	5,105	
G.N.P. or Expenditure - 1982 $.....	3,847	3,996	4,009	4,033	4,077	4,077	

lb/capita

Pap&Papbd	Othr	Totl	Popul(mil)
.a - 670 + 17	=	687	243.9
.b - 682 + 17	=	699	245.5
.c - 677 + 17	=	694	245.5

.E - Last month estimated by API

f - Wood Pulp Production excludes def., explo. & scrngs.
g - Adjusted for holiday shutdowns
h - First 3 quarters, annual rate
Q - Quarter

R - Revised
Y - Full year estim. by U.S. Dept. of Com.
RS - Revised Series
* - Seasonally Adjusted.